

LAND BOARD AGENDA ITEM

May 16th, 2011

**SET MINIMUM BID FOR LAND BANKING PARCEL # 579
CASCADE COUNTY**

- Seller:** State of Montana, Department of Natural Resources and Conservation
- Nominator:** Parcel 579 – Lessee, Edward & Mary Kyler
- Location:** Parcel 579 - is located 10 miles west of the town of Cascade.
- Property Characteristics:** Parcel 579 - The parcel has below average grazing productivity, and generates below average income from a grazing lease. The commercial timber value of the parcel is marginal due to the location of the merchantable stands in the drainage bottoms, relatively poor quality timber and the presence of rock outcrops. Development of the parcel for commercial harvest would require extensive road construction on adjacent private lands and line skidding on steep slopes.
- Access:** Parcel 579 - There is no legal public access to this parcel. The lands in section 36, T18N, R3W are fully surrounded by private lands, and may only be accessed for recreational uses with the adjacent land owner's permission.
- Economic Analysis:** Short term – The rate of return on the sale parcel is 0.11 % for Common Schools. They would continue to receive this return if the parcel is not sold.
- Long term – The sale of this parcel would result in acquisition of lands that generate a higher rate of return. To date the average annual rate of return on acquisitions has been 1.91%, on acquisitions with income generated from annual lease payments.

Cultural/Paleontological Resources:

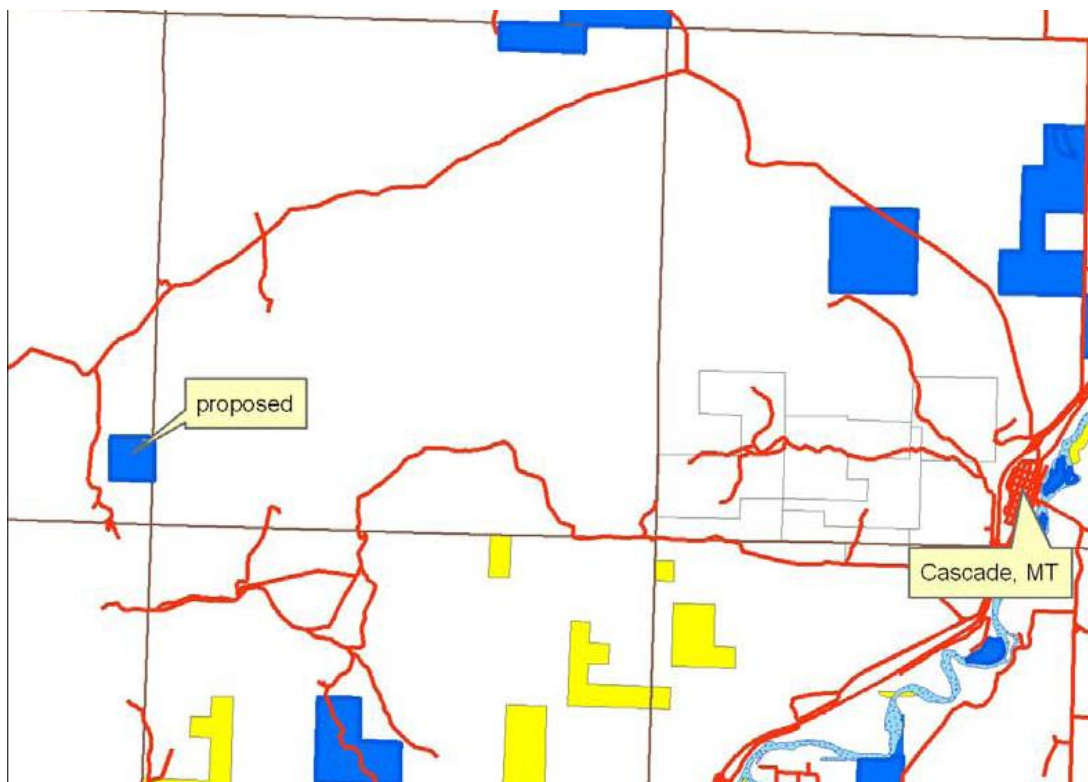
Lots 1-4 of Section 36, T18N R3W were inventoried to Class III standards for cultural and paleontological resources in 2005. A formal report of findings (*Cultural Resources Inventory of the Proposed Telegraph Mountain Land Exchange: Cascade County, Montana*) was prepared and is on file with the DNRC and the State Historic Preservation Office. No *Antiquities*, as defined under the Montana State Historic Preservation Act, were identified. The underlying geology does not include Judith River or Hell Creek Formations.

Agency Recommendation:

Since no market data was available to the appraiser at the time of the appraisal to support a value conclusion of the “as is” condition of no legal access, this parcel was only appraised under the hypothetical condition of having legal access. Based on the appraised value, the Director recommends the minimum bid amount as follows:

Sale #	# of Acres	Appraised Value With Access	Appraised Value Per Acre With Access	Appraised Value Without Access	Recommended Minimum Bid	Trust
579	165.31	\$132,000	\$800	N/A	\$132,000	Common Schools
Total					\$ 132,000	

Sale #579 Location Map



Sale #579

